

Comments to Other Agencies

Other Changes and Activities

Comptroller's Corporate Manual

**Washington, DC
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Comments to Other Agencies

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This booklet should be used together with other booklets of the *Comptroller's Corporate Manual*. Users of this booklet also should refer to the "[General Policies and Procedures](#)" (GPP) booklet for a discussion of general filing issues and to the "[Business Combinations](#)" and the "[Change in Bank Control](#)" booklets for discussion of matters relevant to filings requiring comments to other agencies.

Applicability

The Comptroller of the Currency (OCC) responds routinely to requests for comments from:

- The Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Federal Reserve Board (FRB) on competitive factors in business combinations (bank mergers, consolidations, and purchase/assumptions).
- The FDIC, OTS, and the FRB on proposed acquirors of state banks or thrifts under the Change in Bank Control Act.
- The FRB on Regulation K¹ applications from national banks, acquisitions of national banks by existing bank holding companies, or proposed holding company formations by national banks.

Summary of Process

General

On behalf of the OCC, the appropriate district office or Bank Organization and Structure (BOS) normally responds to supervisory and competitive concerns on all requests from federal regulatory agencies within 30 days of their receipt. If the OCC cannot respond to the requesting agency within that time, it informs the agency by telephone that comments will be forthcoming.

The OCC will respond within 10 days of receipt of a request for competitive factor reports, if an emergency is declared by the FRB, FDIC, or OTS.

¹Regulation K addresses foreign operations of FRB member banks and applications pertaining to the establishment of foreign branches. Edge Act and Agreement corporations, investments in foreign companies and subsidiaries, and requests to engage in new activities are not specifically authorized by the regulation.

The district office will forward an application to BOS for response if its review reveals that the transaction will affect competition significantly or contains unusual policy issues.

Negative Comments

The Deputy Comptroller for BOS may make negative comments or provide comments on matters that present a significant supervisory, CRA, or compliance concern or raise a significant legal or policy issue. The Deputy Comptroller also provides comments, if negative, on competitive factors and changes of control, and when recommending disapproval of an acquisition of a national bank by a bank holding company. If the OCC recommends disapproval of a holding company acquisition, the FRB legally must hold a hearing on the application.

Negative responses are general and indicate the nature of the concern, but do not include CAMELS ratings or other sensitive data. All comments are entered into the public record.

Year 2000 Considerations

The OCC considers year 2000 issues when providing comments to the FRB on acquisitions of national banks by existing bank holding companies, or proposed holding company formations by national banks, Regulation K² applications from national banks or comments to other regulators on applications for changes in bank control.

The OCC has issued the following advisory letters about year 2000 systems issues:

- [Advisory Letter 97-6](#) (AL 97-6), dated May 16, 1997, which outlines comprehensive guidance for banks to effect a year 2000 compliant system.
- [Advisory Letter 97-10](#) (AL 97-10), dated December 17, 1997, which outlines safety and soundness guidelines for year 2000 business risk.
- [Advisory Letter 98-1](#) (AL 98-1), dated January 20, 1998, which outlines OCC year 2000 expectations for year-2000-covered applications.

²Regulation K addresses foreign operations of FRB member banks and applications pertaining to the establishment of foreign branches. Edge Act and Agreement corporations, investments in foreign companies and subsidiaries, and requests to engage in new activities are not specifically authorized by the regulation.

- [Advisory Letter 98-3](#) (AL 98-3), dated March 27, 1998, which outlines guidance concerning certain risk factors and due diligence to consider when assessing year 2000 vulnerabilities.

Advisory Letters have established the following target time frames to accomplish critical actions for year 2000 compliance:

- September 30, 1997 — The bank should have identified affected applications and databases. Mission critical applications should be identified and an action plan set for year 2000 work.
- June 30, 1998 — The bank should have implemented a process which identifies, assesses, and controls the year 2000 risks (i.e., credit, liquidity, or counterparty trading risks) posed by their customers.
- December 31, 1998 — Code enhancements and revisions, hardware upgrades, and other associated changes should be largely completed. In addition, for mission critical applications, programming changes should be largely completed and testing should be well underway.

Between January 1, 1999 and the end of that year, the banks and federal branches and agencies should be testing and implementing their year 2000 conversion programs.

For the most current guidance about year 2000 issues, refer to the OCC's Internet site, <http://www.occ.treas.gov>. or call the OCC Information Line (fax-on-demand service).

Records Retention

Requests for comments and responses to agencies are maintained in accordance with OCC's files management plan. The district offices will hold the correspondence for three years or until the volume warrants transfer of the files to the Federal Records Center (FRC). The FRC will destroy the files after seven years. Applications from the other agencies are not retained.

If the request for comments involves a national bank, the request and response will be sent to the bank's correspondence file in Central Records and a copy will be sent to the supervisory office.

Comments to Other Agencies

Procedures—Competitive Factors Report

Receipt of Request

Bank Organization and Structure (BOS)

1. Receives a request for comments from another federal regulatory agency.
2. Initiates and enters appropriate information into the Corporate Activities Information System (CAIS).
3. Notifies the appropriate assistant deputy comptroller/examiner-in-charge (ADC/EIC) and/or portfolio manager of transaction, if the request involves a national bank.
4. Establishes the official file to maintain all original documents.

Review and Decision

5. Reviews the transaction to determine if the OCC should provide comments on competitive factors and:
 - If yes, telephones the requesting agency and advises that the OCC intends to provide an analysis on the competitive factors.
 - If no, date stamps request, marks "no comments" on form, returns form to the requesting agency, and places a copy in the competitive factors request file. Proceeds to step 8.
6. As appropriate, reviews the file and all relevant information. Solicits comments from the ADC/EIC and/or portfolio manager and other OCC divisions, as appropriate, prepares report, and forwards the official file to the appropriate official for decision.
7. Sends the report to the requesting agency and files a copy in the competitive factors report file.

Close Out

8. Makes appropriate CAIS entries.

9. If negative comments are provided, notifies the appropriate ADC/EIC and/or portfolio manager by forwarding updated CAIS comments and, if warranted, advises of any concerns.
10. Reviews the file for completeness and forwards it to Central Records.

Receipt of Request for Change in Bank Control

Licensing Staff

1. Receives a request for comments on a Change in Bank Control notice from another federal regulatory agency.
2. Initiates and enters appropriate information into the Corporate Activities Information System (CAIS).
3. Establishes the official file to maintain all original documents.

Review

4. Within five days of receipt of request:
 - Reviews request to determine if the acquiror reported an association with a national bank within the last five years and advises appropriate assistant deputy comptroller/examiner-in-charge (ADC/EIC) and/or portfolio manager if a relationship existed.
 - Solicits comments from the ADC/EIC and/or portfolio manager and other district divisions and requires preliminary responses by the 15th day after receipt of request. As appropriate, ask them to indicate specifically if the acquiror had/has an association with a national bank that possesses other than a satisfactory year 2000 rating.
 - Checks Enforcement Action Report System.
6. If at any time the request presents policy, legal, or supervisory issues, contacts Bank Organization and Structure (BOS) to decide:
 - Whether the request should be processed by the Washington office, if broad issues are involved.
 - Whether specific issues should be carved out for Washington action, while the request continues to be processed in the appropriate district office.
 - When the request should be forwarded to Washington.

7. If the ADC/EIC or portfolio manager or other divisions advises that the acquiror reported an association with a national bank that has a less than a satisfactory year 2000 rating, contacts BOS for guidance in processing.
8. Reviews comments and all other relevant materials.

Decision

9. Prepare memorandum on findings if appropriate:
 - If negative comments are made about the filing, prepares a memorandum discussing the factors in support of the decision.
 - If no negative comments are made about the filing, marks agency's letter as follows:

OCC) No Comments

Date

Signature of Delegated Official

10. Forwards the official file to the appropriate official for signature and sends comments or marked original letter to the requesting agency.
11. If action cannot be taken under delegated authority, forwards the file and recommendation to BOS for receipt at least seven days before the expiration of the comment period.
12. Makes appropriate CAIS entries.
13. Proceeds to step 21, if action is taken by the district under delegated authority.

BOS

14. Makes appropriate CAIS entries.
15. Reviews the file and solicits comments from other OCC divisions, as appropriate.
16. Reviews comments from other OCC divisions, makes recommendation, and forwards the official file to the appropriate official for decision.
17. Forwards an advisory opinion letter to the appropriate agency.

18. Makes appropriate CAIS entries.
19. Sends a copy of the advisory opinion letter to the licensing manager at the appropriate district office and places a copy of the letter in the official file.
20. Notifies appropriate ADC/EIC and/or portfolio manager and ADC if negative comments are provided by forwarding updated CAIS comments and, if warranted, advises of any concerns.

Licensing Staff/BOS

Close Out

21. Reviews the file for completeness and forwards it to Central Records.
22. Makes appropriate CAIS entries.

Request for Comments on Bank Holding Company or Regulation K Filing¹

Licensing or International Banking and Finance (IB&F) Staff

1. Receives request for comments from the Federal Reserve Board (FRB).
2. Establishes the official file to maintain all original documents.
3. Initiates and enters appropriate information into the Corporate Activities Information System (CAIS).
4. Notifies the following OCC staff of receipt of the request:
 - Appropriate assistant deputy comptroller/examiner-in-charge (ADC/EIC) and/or portfolio manager.
 - IB&F staff, if the bank holding company filing comes from a company that has foreign ownership or is engaged in international banking activities.
 - Licensing staff for a Regulation K filing or request from an agency of a foreign government, involving a company that owns a national bank or federal branch or agency.

Review

5. Reviews the request.
6. If at any time the request presents significant policy, legal, CRA, consumer compliance, or supervisory issues, contacts Bank Organization and Structure (BOS) to decide:
 - Whether the request should be processed by the Washington office, if broad issues are involved.

¹These procedures also apply to requests from agencies of foreign governments.

- Whether specific issues should be carved out for Washington action, while the request continues to be processed in the appropriate district office.
 - When the request should be forwarded to Washington.
7. Solicits comments from the ADC/EIC and/or portfolio manager and other district divisions and requires preliminary responses by the 15th day after receipt of request. Asks to indicate specifically if the transaction involves a national bank that possesses other than a satisfactory year 2000 rating.
 8. If the ADC/EIC or portfolio manager or other divisions advise that the national bank has a less than a satisfactory year 2000 rating, contacts BOS for guidance in processing.
 9. Prepares the Confidential Memorandum and comment letter, if applicable, and forwards them to the appropriate person for action.

For holding company application comments only:

Completes the Advisory Opinion Worksheet if the case involves a holding company with an adverse rating or a transaction significant to the acquiring holding company. Requests risk-based capital information on the consolidated entity, if needed.

Decision

10. If no comment is made about the filing, marks the FRB's request for comment letter as follows:

OCC) No Comments

Date

Signature of Delegated Official

11. Forwards the official file to the appropriate official for signature and forwards comments or marked original letter to FRB.
12. If action cannot be taken under delegated authority, forwards the file and recommendation to BOS for receipt at least seven days before the expiration of the comment period.
13. Makes appropriate CAIS entries.
14. If action is taken by the district office, goes to step 21.

BOS

15. Makes appropriate CAIS entries.
16. Reviews the file and solicits comments from other OCC divisions, as appropriate.
17. Reviews comments from other OCC divisions, makes recommendation, and forwards the official file to the appropriate official for decision.
18. Forwards the marked original letter or comment letter to the FRB.
19. Makes appropriate CAIS entries.
20. Sends a copy of the letter to the licensing manager at the appropriate district office and places a copy of the letter in the official file.
21. If disapproval is recommended, notifies the appropriate ADC/EIC and/or portfolio manager of the decision by forwarding updated CAIS comments and, if warranted, any concerns.

Close Out

Licensing Staff/BOS

21. Reviews the file for completeness and forwards it to Central Records.
22. Makes appropriate CAIS entries.

Comments to Other Agencies

References

Advisory Opinions—Change in Bank Control Law

12 USC 1817(j)(11)

Bank Holding Company Acquisitions Regulation Law

12 CFR 225.43(b)(1)
12 USC 1842

Competitive Factor Reports Law

12 USC 1828(c)

Regulation K Applications Regulation

12 CFR 211

Year 2000 Issues Advisory Letters

[AL 97-6](#), [97-10](#), [98-1](#),
[98-3](#)

Letter to CEO of National Banks
and Bank Vendor Companies on
Year 2000, dated September 30,
1997